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WORLD NEW

U.S. Role in Contra Supply Program Remains Mysterious

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When a camouflaged cargo plane was shot down in Nicaragua Oct. 5, the inner workings of a clandestine rebel supply operation exploded into public view—and appeared to suggest a trail that led back to the White House.

There were allegations of Central Intelligence Agency involvement, possible links to Vice President Bush and further revelations about the private network of organizations that helped the Nicaraguan contras during the two years when U.S. military aid was cut off. But today, more than a month after the C123K cargo plane went down, fundamental questions about the program remain.

It is not known, for example, who controlled and financed the supply operation to the contras, who say it was not their money. Nor is it known how much Reagan administration officials knew about the network or whether they were directly involved in it, even though U.S. officials have said that, while it was not a government operation, they knew more about it than they would say publicly.

This is not the first time that efforts to pin down the administration's role in supporting the contras, or counterrevolutionaries, has produced more questions than answers.

During the past two years, congressional committees and others have repeatedly challenged the administration's claims that it adhered to a congressional ban on military aid to the contras, but no "smoking gun" disproving administration statements has been found.

The plane incident has provided congressional critics with dramatic but largely circumstantial evidence of possibly improper administration involvement with the contras.

But with Democrats controlling the Senate as well as the House next year, congressional scrutiny of the supply network and the entire contra aid program is likely to intensify.

Sen. Claiborne Pell (D-R.I.), likely new chairman of the Foreign Relations Committee and a critic of contra aid, said late last week that he intends to make the U.S. policy in Central America a top priority and will pursue "with increased vigor" information about possible administration wrongdoing.

For the moment, the administration statement that the operation was financed and controlled by private individuals and not the U.S. government has not been proved or disproved.

Bush has acknowledged meeting twice with Felix I. Rodriguez, a former CIA operative said to have helped coordinate the supply flights. Bush's press secretary said the vice president's national security adviser, Donald P. Gregg, a longtime Rodriguez friend, recommended him as a counterinsurgency specialist to the Salvadoran military.

But Gregg has never explained his involvement with Rodriguez, including whether Rodriguez discussed with him his work with the contra supply network.

Administration officials have argued that the involvement of a coterie of former military and CIA operatives in the effort does not prove that it was set up and/or controlled by the U.S. government.

Assistant Secretary of State Elliott Abrams, administration point man on Central America, said last month that it is "predictable and logical" that "there is a small circle of people who fly into hostile territory carrying military supplies."

Shortly after the plane went down Abrams said he had "some intelligence" about the mission.

"The CIA is asked to report on events in Central America, and among things they report on to us is some of this activity," Abrams said. "But they do not direct it, directly or indirectly, wink or nod, or steer people. It's illegal."

Beginning with President Reagan, administration officials have made no secret of their support for the rebels and their approval of private efforts to provide money and materials to the contras during the two-year cutoff of military aid.

But administration officials' knowledge and public encouragement of contra-support activities does not necessarily mean that they violated the law.

The debate over the role of Marine Lt. Col. Oliver North, a member of Reagan's National Security Council staff who is cited as a key liaison between the administration and the contras, is a microcosm of the larger dispute over possible administration wrongdoing.

Critics and news reports have alleged that North has advised rebel leaders on military tactics and steered contributors to them—both of which would be possible violations of the congressional ban.

Former Reagan national security adviser Robert C. McFarlane, in recently denying that North violated the congressional ban, explained that when Congress cut off aid to the contras North was one of those assigned to assure contra leaders that the administration still believed in them and would continue to lobby Congress to resume military aid. North "periodically met with them [rebel leaders] . . . nearly always here [in Washington] but

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sometimes down there [in Central America]," McFarlane said, adding that he stayed within the law.

One congressional aide, who is critical of the contra program, said that while administration officials may not have violated the law, they "go right up against the law and exploit any loophole."

The debate over whether North stepped out of bounds has been fueled by disclosures that Salvadoran phone records from a "safe houses" used by members of the operation show repeated calls in September to White House phones in North's office. A Reagan administration official, quoted anonymously, told The Associated Press that North "to his knowledge" never received any phone calls from the safe house.

Last year, the administration repulsed a congressional effort to find out more about North's role as a liaison to the contras.

The administration was also successful this year in persuading Congress to eliminate the two-year ban on military assistance to the contras and to provide $100 million in aid, including $70 million for military activities. Last month, Reagan signed a directive that permits delivery of the aid to the contras and allows the CIA, the State Department and other U.S. agencies to resume direct assistance to the rebels.

According to information from records retrieved from the downed plane and captured crewman Eugene Hasenfus, the plane's pilot, William J. Cooper, began setting up the resupply network last February. Operating under the name "Corporate Air Service Inc.," Cooper is said to have recruited about 14 pilots and crewmen and assembled a fleet of five airplanes, including two C123K cargo planes that sell for several hundred thousand dollars apiece.

Both Hasenfus and Cooper, as well as several other members of the operation, had worked together during the Vietnam war as employes of the CIA-owned airline Air America.

Cooper was one of Air America's chief pilots. Hasenfus was a cargo handler or "kicker."

Cooper; Wallace B. Sawyer, who was the plane's copilot, and an unidentified Nicraguan rebel, were killed when the plane crashed.

Hasenfus also disclosed that Southern Air Transport Inc., a Miami-based air cargo firm owned by the CIA until the agency said it was sold in 1973, played a major role in assisting the operation.

William Kress, a company spokesman, has said Southern Air serviced both of the C123s at its Miami facilities and that the firm also sent repair and maintenance crews to the Ilopango airport in El Salvador to work on the planes. Hasenfus said the company also arranged his round-trip ticket to El Salvador when he began work in July.

But Kress has said Southern Air did not own or operate the downed plane or the other C123K. He said the company was simply performing work for a customer whose identity he declined to disclose.

Southern Air was purchased by the CIA in 1960 to provide support to Air America and another CIA-owned airline in the Far East, according to former CIA general counsel Lawrence R. Houston.

The downed plane was purchased in March with a check issued by Southern Air, according to a source familiar with the transaction. Kress, while not verifying that account, said recently that Southern Air could have done so on behalf of a customer.

Southern Air also was hired to fly several flights of nonlethal U.S. aid to the contras, which company and U.S. officials said was separate from its work on the weapons resupply operation. A Southern Air crewman on at least two of the nonlethal aid flights was Sawyer, who, according to Kress, worked for Southern Air until last April.

While State Department officials said Southern Air was not hired directly by the U.S. government for the nonlethal aid flights, Southern Air was retained by the U.S. Air Force in 1984 to fly cargo to Central America.

In fact, since 1983, Southern Air has received $90 million in civilian air cargo contracts from the Air Force, according to information provided by a spokesman for the Air Force's Military Airlift Command.

In 1984, Southern Air received two contracts, one for $10.8 million to fly cargo to Air Force bases within the United States and another for $13.3 million to ferry supplies to bases in the Caribbean and Central America, including Cuba, Panama and Palmerola air base in Honduras, which has a full-time contingent of U.S. military personnel and has become a key military air strip in the area.

Critics question whether the surge in military contracts to Southern Air and recent expansion of the company is tied to the increased U.S. involvement in Central America.

Although the company received cargo contracts from the Air Force between 1960 and 1973—the period that it was owned by the CIA—Southern Air did not receive any contracts between 1973 and 1983, according to the Air Force spokesman.

The spokesman did not know the date when the contracts were resumed in 1983.

Among the other aspects of the operation that remain mysterious are:

- The supply network's use of a Honduran air base at Aguagate, an airport rebuilt several years ago by U.S. military engineers that has become a contra supply base, and of the Salvadoran air base at Ilopongo, where U.S. military personnel operate.

Critics question how the supply network could get access to both bases without U.S. knowledge and approval of the operation.

- The visit of Col. James Steele, head of the U.S. military group in El Salvador, to Hasenfus' living quarters to complain about high telephone bills and raucous behavior in San Salvador restaurants by members of the supply network.

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United Press International reported last month that a reliable source confirmed that Steele went to the safe house but said he had nothing to do with directing the operation. "Steele went in because his feeling was that whatever was going on would reflect negatively on the U.S. government mission in El Salvador," the source told UPI.

- The possible role in setting up and financing the operation by Richard V. Secord, a retired Air Force major general and former assistant secretary of defense.

Secord last month denied reports that he was a point man in raising Saudi Arabian money for the contras.

Salvadoran telephone records for the safe houses used in the supply network show that several calls were placed to Secord's home and business last summer. Secord has been quoted as saying he advised the rebels on "how they ought to design their efforts . . . but I am not commanding the contra air force. If I were, I'd be down there."

- The allegation by the Sandinistas that one of two ex-CIA operatives who helped coordinate the flights in El Salvador and who went by the name "Ramon Medina" was Luis Posada Carriles, a fugitive suspected Cuban terrorist. Posada escaped from a Venzuelan jail in August 1985 where he had been held on charges stemming from the 1976 bombing of a Cuban airlines flight, in which 73 persons were killed.

Salvadoran phone records from the safe houses show that at least one phone call was made to Posada's wife in Miami. She confirmed recently that her husband called her from abroad several times in recent months without identifying his location.